Scholars World
INTERNATIONAL PEER REVIEWED REFEREED MULTIDISCIPLINARY JOURNAL OF CONTEMPORARY REASERCH
Impact Factor: 4.433
Online ISSN: 2320-3145, Print ISSN: 2319-5789

Role of Women-led Self-Help Groups (SHGs) in achieving Sustainable Development Goals (SDGs)

Mr. Umesh Rajaram Bhoite

Maharaja Sayajirao Gaikwad (M.S.G), Arts, Science and Commerce College (Autonomous), Malegaon Camp, Malegaon -423105

Abstract

Women-led Self-Help Groups (SHGs) have become an important grassroots institution for promoting inclusive and sustainable development, particularly in developing countries like India. This research paper explores the role of women-led SHGs in achieving the Sustainable Development Goals (SDGs) by enhancing women's economic, social, and political empowerment. SHGs enable women to access microfinance, develop entrepreneurial activities, participate in capacity-building initiatives, a nd engage in collective decision-making processes, helping them overcome poverty, inequality, and social marginalization. Through regular savings and credit operations, these groups support income-generating activities and livelihood diversification, thereby contributing to SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). Moreover, women-led SHGs strengthen women's involvement in household and community decision-making, promoting leadership and gender equality, which directly supports SDG 5 (Gender Equality). Participation in SHGs also increases awareness and access to education, healthcare, sanitation, and nutrition, thereby contributing to SDG 3 (Good Health and Well-being) and SDG 4 (Quality Education). Beyond economic empowerment, SHGs help build social capital, encourage community participation, and promote sustainable livelihood practices such as eco-friendly production, agricultural innovation, and the development of local enterprises. These efforts contribute to wider development objectives, including SDG 10 (Reduced Inequalities) and SDG 12 (Responsible Consumption and Production). Overall, the study emphasises that women-led SHGs function as strong community-based institutions that promote financial inclusion, skill development, and collective empowerment. By strengthening grassroots governance and enabling women to act as agents of change, SHGs play a significant role in advancing the SDGs and fostering sustainable and inclusive rural development.

Keywords: Women-led Self-Help Groups (SHGs), Sustainable Development Goals (SDGs), Women Empowerment, Financial Inclusion

1. INTRODUCTION:

The idea of sustainable development has become globally significant after the adoption of the United Nations Sustainable Development Goals (SDGs) in 2015. These goals focus on addressing major global issues such as poverty, gender inequality, unemployment, and social exclusion while ensuring inclusive and sustainable economic growth. Among the various community-level institutions contributing to these goals, women-led Self-Help Groups (SHGs) have emerged as effective mechanisms for socio-economic development, particularly in developing countries like India.

Self-Help Groups are small and voluntary groups, mainly consisting of women, who come together to save money regularly, access microfinance services, and support one another in economic and social activities. These groups play an important role in empowering women by increasing their access to financial resources, strengthening their entrepreneurial abilities, and promoting collective decision-making. Through microcredit support, skill development programs, and active community participation, SHGs enable women to start small-scale enterprises, increase household income, and enhance their social and economic status.

Women-led SHGs also make a meaningful contribution to several Sustainable Development Goals, especially in areas such as poverty reduction, gender equality, decent employment opportunities, financial

inclusion, and overall community development. By encouraging income-generating activities, improving financial literacy, and developing leadership qualities among women, SHGs help reduce poverty and economic dependence. In addition, these groups raise awareness about important social issues such as education, health, sanitation, and environmental protection, which support comprehensive community development. In India, several government initiatives have played a crucial role in promoting the establishment and growth of SHGs. Programs such as the National Rural Livelihoods Mission (NRLM) encourage women to participate in SHGs to improve rural livelihoods and achieve economic independence. Consequently, millions of rural women have joined SHGs, creating a widespread network of community-based organizations that support inclusive development.

Thus, women-led Self-Help Groups function not only as financial support mechanisms but also as important platforms for empowerment and social transformation. Their contribution to expanding economic opportunities, enhancing social participation, and improving living conditions makes them key contributors to the achievement of the Sustainable Development Goals. This research paper explores the role and impact of women-led SHGs in promoting SDGs and highlights their potential in advancing sustainable and inclusive development.

2. RESEARCH METHODOLOGY:

The study adopts a descriptive and analytical research design to examine how women-led Self-Help Groups contribute to achieving the United Nations Sustainable Development Goals (SDGs). The research focuses on analyzing the socio-economic impact of SHGs on women's empowerment, income generation, financial inclusion, and community development. The present study is based on secondary data collected from research journals, books, government reports, websites, and publications related to SHGs and sustainable development. Data from government programs such as the National Rural Livelihoods Mission (NRLM) is also considered for the study.

OBJECTIVES OF THE STUDY:

The primary objective of the study is to evaluate the direct impact of women-led Self-Help Groups (SHGs) on localized Sustainable Development Goal (SDG) indicators, specifically focusing on poverty alleviation (SDG 1), gender equality (SDG 5), and decent economic growth (SDG 8). The secondary objectives are as follows:

- To study the concept and functioning of Women-led Self-Help Groups (SHGs) and their role in promoting women's empowerment.
- To examine the contribution of SHGs in improving the socio-economic status of women, particularly in terms of income generation, savings, and financial independence.
- To analyze the role of SHGs in promoting women entrepreneurship and livelihood opportunities in rural and semi-urban areas.
- To evaluate the contribution of SHGs toward achieving the United Nations Sustainable Development Goals (SDGs) such as poverty reduction, gender equality, and decent work.

3. LITERATURE REVIEW:

Many researchers have studied the role of women-led Self-Help Groups (SHGs) in empowering women and promoting sustainable development. The following literature highlights the major contributions of SHGs toward economic empowerment, social development, and the achievement of the **United Nations Sustainable Development Goals (SDGs).**

Several studies emphasize that SHGs serve as effective grassroots institutions for improving the socio-economic status of women. According to **Mittal, Phukon, and Das (2025)**, SHGs significantly contribute to women's empowerment across economic, social, political, and psychological dimensions. Their systematic review of multiple studies found that participation in SHGs increases savings habits, financial independence, entrepreneurial skills, and self-confidence among women, thereby strengthening their role in households and communities.

Similarly, **Chaitra and Indira (2024)** conducted a micro-level study in Karnataka and found that women who participate in SHGs show higher levels of involvement in household decision-making related to health,

education, and property. The research highlights that SHGs enhance women's autonomy and strengthen their capacity to participate actively in family and community decisions.

Research by **Patel and Mistry (2024)** suggests that SHGs play a significant role in promoting financial inclusion and rural development in India. Their review explains that SHGs help rural women access credit, increase savings, and engage in income-generating activities, thereby reducing poverty and unemployment. The study also emphasizes the importance of the SHG-Bank Linkage Programme in integrating rural women into the formal financial system.

A case study by **Dhimmar, Dangi, and Agarwal (2025)** examined the connection between women-led SHGs and the Sustainable Development Goals. The study revealed that SHGs contribute directly to several SDGs, including poverty reduction, gender equality, decent work, financial inclusion, and reduced inequality. The authors concluded that SHGs act as powerful community-based institutions that promote inclusive growth and sustainable development.

Another critical review by **Tripathi et al. (2025)** highlights that SHGs function as multidimensional platforms combining financial services, livelihood support, and social empowerment. The study argues that SHGs can effectively promote gender equity and community participation, although their impact may vary depending on socio-economic conditions, institutional support, and program design.

Overall, the existing literature indicates that women-led SHGs play a vital role in empowering women economically and socially while also contributing to broader development goals. However, researchers also note challenges such as limited financial literacy, uneven benefits among different groups, and the need for stronger institutional support. Therefore, further research is required to understand how SHGs can be strengthened to contribute more effectively to the achievement of Sustainable Development Goals.

4. ROLE OF WOMEN-LED SELF-HELP-GROUPS (SHGs) IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS (SDGs):

Women-led Self-Help Groups (SHGs) are pivotal catalysts for achieving Sustainable Development Goals (SDGs) by empowering rural women through microfinance, fostering economic independence, improving household livelihoods, and driving social change. They directly advance SDGs 1 (No Poverty), 5 (Gender Equality), 8 (Decent Work), and 10 (Reduced Inequalities).

KEY ROLE IN ACHIEVING SPECIFIC SDGs:

- **Poverty Alleviation (SDG 1: No Poverty)**

SHGs provide collateral-free microcredit for livelihood activities, enabling poor households to accumulate savings and transition from survival to stable consumption. Programs like NABARD's SHG-Bank Linkage Programme have connected millions of unbanked women to formal financial systems, significantly reducing their dependence on high-interest informal moneylenders.

- **Gender Equality & Leadership (SDG 5: Gender Equality)**

Participation in SHGs directly enhances women's decision-making power within their households and communities.These groups serve as training grounds for leadership; nearly 60% of SHG members in India have taken on leadership roles within their groups, and many have transitioned to local political governance as Sarpanch or Pradhan.

- **Health and Nutrition (SDG 2: Zero Hunger & SDG 3: Good Health)**

SHGs improve household food security by funding agricultural inputs and livestock rearing.

They act as platforms for health awareness, educating members on sanitation, reproductive health, and personal hygiene, often serving as critical service delivery networks during crises like the COVID-19 pandemic.

- **Economic Growth & Decent Work (SDG 8: Decent Work and Economic Growth)**

Through skill development in areas such as food processing, handicrafts, and tailoring, SHGs foster micro-entrepreneurship and create local employment opportunities.

Member income levels are significantly higher—sometimes up to 25%—than those of non-members.

- **Environmental Stewardship (SDG 13: Climate Action & SDG 15: Life on Land)**

Women-led SHGs increasingly lead sustainable agriculture initiatives, promoting organic farming, watershed management, and afforestation drives.

They help lower the adoption costs of green practices through collective investment and group learning.

Goal	SHG Contribution Mechanism	Key Outcome
SDG 1	Microcredit and internal lending	Diversified income and household savings
SDG 4	Financial stabilization	Increased school enrollment for members' children
SDG 5	Collective action/leadership training	Enhanced socio-political agency and autonomy
SDG 10	Inclusive community platforms	Reduced social and caste-related barriers

5. DISCUSSIONS AND ANALYSIS:

The discussion and analysis of this study focus on understanding how women-led Self-Help Groups (SHGs) contribute to achieving the Sustainable Development Goals adopted by the United Nations. In countries like India, SHGs have emerged as effective grassroots institutions for empowering women and promoting inclusive development. Their activities directly and indirectly support several SDGs such as poverty reduction, gender equality, employment generation, and social inclusion.

I) Economic Empowerment and Poverty Reduction

Women-led Self-Help Groups (SHGs) play a vital role in improving the economic condition of women. Through regular savings, internal lending, and access to microfinance services, women gain greater financial independence. Many SHG members engage in small-scale economic activities such as tailoring, food processing, dairy farming, handicraft production, and small retail businesses. These income-generating initiatives help increase household earnings and contribute to poverty alleviation. In this way, SHGs support **SDG 1: No Poverty** of the **Sustainable Development Goals.**

II) Promotion of Gender Equality

Women-led SHGs significantly contribute to promoting gender equality by strengthening women's confidence, leadership abilities, and decision-making power. Participation in SHGs encourages women to actively express their opinions, attend community meetings, and assume leadership roles in local institutions. This empowerment helps challenge traditional social norms and creates equal opportunities for women in both economic and social spheres. Hence, SHGs strongly contribute to **SDG 5: Gender Equality.**

III) Employment Generation and Entrepreneurship Development

SHGs motivate women to develop entrepreneurial skills by providing training, financial support, and connections to markets. Many groups establish small businesses or collective production units that generate employment opportunities within the community. These activities not only provide income to members but also contribute to the economic growth of local areas. Therefore, SHGs support **SDG 8: Decent Work and Economic Growth** by encouraging self-employment and small business development.

IV) Financial Inclusion and Access to Credit

Women living in rural and disadvantaged communities often face challenges in accessing formal banking services. SHGs help bridge this gap by acting as a link between financial institutions and rural women, enabling them to obtain loans and other banking services. Government initiatives such as the **National Rural Livelihoods Mission (NRLM)** have further strengthened SHGs by connecting them with banks and financial systems. This access to financial services allows women to invest in education, healthcare, and business activities.

V) Social Development and Community Participation

Women-led SHGs also contribute to social progress and community development. Many SHGs actively participate in awareness programs related to health, sanitation, education, and environmental protection. They encourage families to educate their children, follow healthy lifestyles, and participate in village

development initiatives. These activities indirectly support several development goals such as better health, quality education, and reduced inequalities.

VI) Challenges Faced by Women-led SHGs

Despite their positive impact, women-led SHGs encounter several challenges. These include limited access to markets, insufficient training opportunities, lack of managerial skills, and dependence on external financial support. Additionally, some members face issues such as low literacy levels and inadequate awareness of government schemes. Addressing these problems through skill development programs, financial literacy initiatives, and stronger institutional support can enhance the effectiveness of SHGs.

VII) Improvement in Financial Literacy

Women-led SHGs play an important role in improving financial literacy among their members. Through regular meetings and training sessions, women learn essential financial concepts such as saving, borrowing, budgeting, and investment management. This knowledge helps them develop financial discipline and manage both household and business finances more efficiently.

VIII) Strengthening Rural Development

Since most SHGs function in rural areas, they contribute significantly to rural development. Women involved in SHGs participate in activities such as agriculture, livestock rearing, small-scale manufacturing, and rural services. These activities create employment opportunities and improve the economic conditions of rural households.

IX) Access to Government Welfare Schemes

SHGs often serve as an important link between rural women and various government welfare programs. Through SHG networks, women become aware of schemes related to housing, healthcare, education, sanitation, and entrepreneurship. This improves the reach and effectiveness of government initiatives designed to promote social welfare and reduce poverty.

X) Capacity Building and Skill Development

Training programs provided to SHG members help them develop various skills such as entrepreneurship, leadership, financial management, marketing, and production techniques. These skills enable women to establish and expand micro-enterprises, leading to increased productivity and income.

XI) Social Empowerment and Confidence Building

Active participation in SHG meetings encourages women to share their views and engage in community discussions. This participation strengthens their confidence and enhances their leadership capabilities. Women also become more aware of their rights and responsibilities, which contributes to their overall social empowerment.

XII) Promotion of Collective Action

SHGs operate on the principle of cooperation and mutual support. Women work together to address common issues such as domestic violence, social discrimination, lack of education, and inadequate healthcare facilities. Collective efforts increase the bargaining power of women and help resolve social problems more effectively.

XIII) Contribution to Education and Health Awareness

Women-led SHGs play an important role in spreading awareness about education, healthcare, sanitation, and nutrition. Members encourage families to send their children-particularly girls-to school and adopt healthier living practices. These efforts contribute to overall human development and community well-being.

XIV) Environmental Awareness and Sustainable Practices

Some SHGs participate in environmentally friendly activities such as organic farming, waste management, tree plantation, and water conservation. These initiatives help protect the environment and promote sustainable development.

XV) Strengthening Local Governance

Women who are members of SHGs often become more involved in local governance bodies such as village councils and community committees. Their participation enhances transparency, accountability, and representation of women in local decision-making processes.

XVI) Reduction in Social Inequalities

SHGs create opportunities for women belonging to marginalized and economically weaker sections of society. By providing financial support and social encouragement, these groups help reduce social and economic inequalities within communities.

6. CONCLUSION:

Women-led Self-Help Groups (SHGs) have developed as strong grassroots organizations that make a meaningful contribution to sustainable and inclusive development. The study of their functioning indicates that SHGs play a crucial role in improving the economic, social, and political position of women, particularly in rural and disadvantaged communities. By encouraging regular savings, providing access to microfinance, and supporting various income-generating activities, SHGs enable women to become financially independent and improve the living standards of their families. As a result, these groups contribute directly to poverty alleviation and economic growth.

In addition, participation in SHGs strengthens women's self-confidence, leadership qualities, and ability to take decisions within their households and communities. Through group activities and collective participation in community matters, women gain better awareness of their rights and responsibilities and become more actively involved in local governance and development programs. This process of empowerment promotes gender equality and enhances the role of women in social and economic development.

Women-led SHGs also encourage financial inclusion, entrepreneurial development, skill enhancement, and access to various government welfare schemes. Their participation in awareness initiatives related to education, health, sanitation, and environmental protection further supports community welfare and development. These efforts correspond closely with the objectives of the Sustainable Development Goals introduced by the United Nations, especially the goals focused on poverty reduction, gender equality, decent employment, and minimizing inequalities.

However, despite their valuable contributions, SHGs still encounter several difficulties such as limited market access, insufficient training opportunities, and inadequate managerial capabilities. Providing stronger institutional support, improving financial awareness, offering skill development programs, and strengthening market connections can significantly improve the performance and sustainability of SHGs.

Overall, women-led SHGs represent an effective approach for promoting sustainable development at the grassroots level. By empowering women both economically and socially, these groups play a significant role in achieving multiple development goals and encouraging inclusive growth in developing nations such as India. Therefore, strengthening and expanding women-led SHGs can be considered a key strategy for achieving long-term sustainable development**.**

REFERENCES:

Kumar, N., Raghunathan, K., Arrieta, A., Jilani, A., & Pandey, S. (2021). The power of the collective empowers women: Evidence from self-help groups in India. World Development, 146.

Chaitra, C. N., & Indira, M. (2024). The impact of self-help groups on women's participation in decision making: A micro-level study. International Journal of Management and Development Studies.

Neelam, & Awasthi, S. (2024). Women empowerment through self-help groups (SHGs) in Mewat district of Haryana state. ShodhKosh: Journal of Visual and Performing Arts.

Abhilash, K. (2018). Micro finance and women empowerment with special reference to self-help groups (SHG). International Journal of Trend in Scientific Research and Development.

Kumari, R. M., Anandhi, S., Mahajan, V. C., & Rajgopal, K. (2022). Women self-help groups: A way forward for sustainable livelihood. Journal of Contemporary Issues in Business and Government.

Roy, N. S., & Chakraborty, S. (2025). Formal education and women's empowerment: A study of self-reliance and rights awareness among SHG participants. Journal of Educational Analytics.

Monika, & Marwah, A. (2024). Empowering self-help groups (SHGs): Paradigm shift in DAY-NULM.

Government of India. (2011). National Rural Livelihoods Mission (NRLM) Framework for Implementation. Ministry of Rural Development, Government of India.

United Nations. (2015). Transforming Our World: The 2030 Agenda for Sustainable Development.

National Bank for Agriculture and Rural Development (NABARD). (2020). Status of Microfinance in India. NABARD Publications.